



**Public Hearing: January 7, 2015, 6:00 p.m.**

**PSC Hearing Room, Cannon Building, 861 Silver Lake Blvd., Dover, DE 19904**

**Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions**

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**Statement of Thomas Noyes, Principal Planner for Utility Policy, on behalf of DNREC**

**1. (Opening Statement)** Today's hearing is to discuss a Revised Proposed Regulation for the Implementation of the Renewable Energy Portfolio Standards Cost Cap Provisions.

My name is Thomas Noyes. I am Principal Planner for Utility Policy for the Division of Energy & Climate of the Department of Natural Resources and Environmental Control, or DNREC. I am the responsible staff member for this Proposed Regulation.

**2. (Background)** The DNREC Division of Energy & Climate proposes rules to govern the Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions, 26 *Del. C.* §354(i) & (j) of the Renewable Energy Portfolio Standards Act, or REPSA. These provisions were adopted as part of Senate Substitute 1 to Senate Bill 119, which was passed by the General Assembly in 2010.

The proposed regulation directs how the Division of the Energy & Climate calculates the cost of compliance with the RPS; how the Director of the Division of the Energy & Climate determines whether and when to impose a freeze in implementation of the RPS under REPSA; and how the Director of the Division of the Energy & Climate determines whether and when to lift a freeze.

A hearing on this matter was held January 7, 2014.

Subsequently, DNREC Division of Energy & Climate asked the Deputy Attorney General assigned to this matter whether the 3 percent and 1 percent caps in 26 *Del. C.* § 354 (i), (j) refer to a cumulative increase or year-over-year increase. The Deputy Attorney General assigned to this matter advised that the statute provides for year-over-year increases.

The proposed regulation has been rewritten to reflect this opinion. This significant change requires that the Proposed Regulation be republished and a second hearing be held.

**3. (Publication and Public Notice)** The Revised Proposed Regulation was published in the Register of Regulation on December 1, 2014. The Proposed Regulation has been available for public review and comment at the Department's Division of Energy & Climate office in Dover and online at <http://regulations.delaware.gov/register/december2014/proposed/18%20DE%20Reg%20432%2012-01-14.htm>.

A legal notice regarding the availability and publication of the proposed regulation and the schedule of tonight's hearing was published in the *News Journal* and the *Delaware State News* on December 14, 2014.

The Division of the Energy & Climate welcomes all comments from the public. Since this hearing is considered a continuation of the previous hearing, all comments submitted up until the previous hearing are already part of the record.

We are submitting the following documents for the record:

All comments received since the last hearing.

The transcript of the hearing held January 8, 2014.

Register Notice SAN #2012-03 published in the Delaware Register of Regulations dated December 1, 2014.

The hearing notice from the Delaware Register of Regulations dated December 1, 2014.

Affidavit of publication of the proposed regulation and the schedule of today's hearing in the *News Journal* and *Delaware State News* on December 14, 2014.

Summary of the legal review on whether the 3 percent and 1 percent cost caps in 26 Del. C. § 354 (i), (j) refer to a cumulative increase or year-over-year increase.

Opening statement by Thomas Noyes dated January 7, 2015.

PowerPoint presentation by Thomas Noyes dated January 7, 2015.